

House Republican Press Release

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Heagney: Democrats Deny Electricity Tax Cut



Partisan Maneuver Stops Proposal to Lower Costs to Power Consumers

HARTFORD – With a 22% increase on ratepayers having been implemented this year, and power consumers continuing to be gouged by rising costs, legislative Democrats today blocked a proposal by House

Republicans that would reduce the public utilities gross earning tax on electric and power companies. The proposal, which would reduce the residential rate from 6.8% to 4.0%, and the commercial rate from 8.5% to 5.0%, was rejected this afternoon on a party-line vote.

The rate cut was offered as part of an amendment to another bill concerning electric distribution companies. Representative Robert Heagney (R-Simsbury) noted that rather than go on the record opposing the amendment, the Democrat majority used a parliamentary procedure to shelve the entire bill.

Heagney noted that Connecticut residents have been increasingly burdened by the approval of astronomical power rates this year, which began showing up in residents' power bills over the winter.

“There is a budget surplus right now of over \$600 million,” said Representative Heagney. “Surpluses come from over-taxing. Connecticut continually over-taxes its businesses and residents. This would have been a great opportunity to return some of that money to the people who earned it in the first place. Electric rates are higher now than ever and today the legislative Democrats have turned their back on every person who pays an electric bill.”

Heagney noted that the high costs of utilities are making it harder for residents to make ends meet, and are hurting businesses across Connecticut. “If jobs and the economy are even a remote priority of the majority, then this would have been a great beginning in addressing one of the fundamentally high taxes that drain businesses,” added Heagney. “These high rates make businesses in the state think twice about staying, and keep businesses outside the state from even thinking once about relocating here.”

The proposal would have reduced the gross earnings tax by 41%, and saved ratepayers roughly \$60 million annually.